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OPERATIONS AT PACIFIC PROVING GROUNDS

1 July 1955

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- B. GENERAL**

1. Except as modified by specific paragraphs below, the costs of the various test projects connected with the operation shall be borne by the agency establishing the specific project.
2. The costs of projects of mutual interest to both agencies will be prorated in proportion to the degree of interest.
3. Such equipment as is reasonably available from the stocks of either agency will, upon request, be furnished to the other agency on a loan basis at no cost except that of handling, safeguarding, and maintaining the equipment. The AEC will, in general, request through military channels equipment which is from commercial sources. The AEC will not be held responsible for normal wear and tear but will guarantee against damage to part of the equipment. Equipment or loans which are lost, damaged, or destroyed beyond reasonable repair will be replaced or repaired at existing regulations of the owning agency. The receiving agency will not be responsible for losses due to theft, fire, flood, etc., in any situation where such losses are caused by gross negligence or fraud on the part of the receiving agency. If the equipment is used as a part of an activity of the receiving agency, it must be kept in separate offices or the personnel who are working on the work on the facilities thereof must be adequately trained in the handling thereof.

Effective this date, the following terms and conditions will apply to any loans of craft made in the future by the Navy Department to the Atomic Energy Commission. In addition, these terms and conditions will be applicable to Navy craft in the custody of the Atomic Energy Commission as of this date, insofar as applicable.

- "1. The Navy Department, upon request of the Atomic Energy Commission, will lend to the AEC such craft as can be made available and as are required in the prosecution of projects which are the responsibility of the AEC. Loan of such craft shall be made on custody receipt without charge for the capital value of the craft.
- "2. The AEC will provide funds on request by the Navy for activation, if required, and for preparing for operation and tow, if necessary, any craft made available to the AEC, including funds to procure additional spare parts and accessories required for operation of the craft. Normal overhead will be charged for this work.
- "3. Delivery of craft that are loaned to the AEC under this agreement will be on a "where is" basis. Where practicable, available Navy transport will be used to redeploy craft. However, any expenses beyond normal Navy operating expenses, incurred in redeployment of craft, will be borne by AEC. Return delivery of these craft will be at the point of original transfer or at a point mutually agreed upon.
- "4. a. The Atomic Energy Commission shall be responsible for the operation, protection, security, repair, and maintenance of all craft loaned to it by the Navy while such craft are in its custody or the custody of others acting for the Commission.

b. To assure that craft in the custody of the Atomic Energy Commission under the terms of this agreement are maintained at satisfactory Navy standards, they will be subject to the routine material inspection normally conducted by the Navy for naval craft. The scheduling of these inspections will be mutually agreed upon by representatives of the Navy and the AEC in the field.
- "5. a. Upon transfer of Naval craft from the Navy to the AEC and return of such craft to the Navy by the AEC, joint inspections of craft so transferred or returned will be conducted. Such inspections will be conducted

by an appropriate board appointed by the Commander in Chief, U. S. Pacific Fleet and composed of both Navy and AEC members. The reports of the above board will be itemized in sufficient detail to enable allocations to be made, upon return of craft to the Navy, of repair costs properly chargeable to each party in conformance with this agreement. These reports will be forwarded to the Bureau of Ships via the Naval command from which the craft are obtained and the Commander in Chief, U. S. Pacific Fleet with copies of the original and all endorsements to the Chief of Naval Operations, AEC Washington, other AEC agencies and Naval material bureaus as appropriate. The work to be performed in repairing craft and allocation of costs properly chargeable to each party for that work will be resolved by the above boards in the field, and only such items which cannot be resolved satisfactorily by them will be referred to the Chief of Naval Operations and the Atomic Energy Commission. The AEC is responsible for funding only the costs necessary to restore craft to a material condition comparable to that existing when received. In determining the costs chargeable to AEC consideration will be given to the effects of normal wear and tear. Subsequent to July, 1953, normal overhead will be included in computing costs chargeable to the AEC.

b. If subsequent to commencing repairs on craft the Navy determines that additional work is necessary beyond that agreed to initially by the above joint boards, the AEC shall not be responsible for any portion of the funds covering the additional work until such time as a joint board as outlined above has convened and agreed to an apportionment of the additional costs between the Atomic Energy Commission and the Navy.

c. The Atomic Energy Commission shall not be liable for payment for loss of Naval craft in its custody. Final action by the Department of the Navy to strike a craft will likewise relieve the AEC from obligation to effect repairs to that particular naval craft.

"6. Any craft loaned to the AEC, if required for Navy use prior to completion of the work for which obtained, shall be returned to Navy custody upon request on thirty days' notice.

5. The transfer of subsistence in kind at the Pacific Proving Ground between the AEC and the military is authorized. Each agency will reimburse the other at prices established by mutual agreement for meals eaten ashore by its personnel in the messes of the other.

To this end, appropriate records will be kept at both AEC and Armed Forces messes which will permit periodic reconciliation of accounts. Reimbursement for meals furnished on board ship will be established by Navy and Military Sea Transportation Service (MSTS) directives.

6. Cross-servicing is authorized between elements of the DOD and the AEC and its contractors. Specific authorization will be issued in accordance with standards mutually agreeable to the Santa Fe Operations Office (SFOO) and the Joint Task Force (JTF). The cost of reimbursable work performed in connection with cross-servicing authorizations will be accumulated and billed in accordance with the standard accounting practices of the performing Department or Agency.
7. Except for matters covered in subparagraph 4 above, decisions on interpretations of these provisions or on allocation of specific costs shall be the joint responsibility of the Task Force Commander for the DOD and the Manager, SFOO, for the AEC.

C. COSTS AND RESPONSIBILITIES TO BE ASSUMED BY THE AEC

1. Cost of construction of all base facilities at PPG required by the AEC for military and AEC support of test operations.
2. Maintenance of all base facilities (buildings, structures, installed equipment, roads and airstrips, piers, POL and utility systems, and communications systems) which have been provided by the AEC for support of test operations, except that the DOD will be responsible for the maintenance of fixed communication facilities on Eniwetok and Japtan Islands and a JTF communications center on Parry Island, and military communications systems which may be required in support of test operations.
3. Operation of all fixed plant and utility systems (power, water, sewage, POL, and communications) provided by the AEC for support of test operations, except that the DOD will be responsible for operation of the POL system on Eniwetok Island, fixed communication facilities on Eniwetok and Japtan Islands, a JTF communications center on Parry Island, and military communications systems which may be required in support of test operations.
4. Cost of all equipment, supplies, and material purchased by the Armed Forces at the specific request of the AEC.
5. Cost of modifications of material and equipment when such modifications are made at the specific request of the AEC, except that modifications to ships and aircraft may be subject to mutual agreement as to the pro rata share of cost.
6. All normal AEC administrative expense, including salaries, subsistence, per diem, etc., of personnel employed by the AEC and its contractors in connection with the AEC's projects and programs.

7. Cost of expendable supplies furnished to the AEC and its contractors from military stocks.
8. Packing, handling, and crating charges of Armed Forces material and equipment requested by the AEC.
9. Stevedoring labor and equipment, including marine craft and craft operators for loading and offloading supplies, materials, and equipment to or from ships at Eniwetok and Bikini Atolls. All on-shore cargo handling will be performed by military forces on Eniwetok and Japtan Islands and by the AEC on all other islands. Details of the agreement concerning stevedoring responsibilities are set forth in "Stevedoring Operations Outline," dated December 27, 1954, as revised.
10. Operation of all mess halls on all islands, except Eniwetok and Japtan Islands.
11. Operation of land transportation facilities on all islands of the Pacific Proving Ground except Eniwetok and Japtan Islands.
12. Operation of a boat pool for essential inter-island and ship-to-shore services.
13. All costs of experimental projects of primary interest to the AEC except where jointly funded by mutual agreement.

D. COSTS AND RESPONSIBILITIES TO BE ASSUMED BY THE DEPARTMENT OF DEFENSE

1. Cost of construction of facilities at PPG required exclusively for support of Armed Forces experimental projects.
2. The costs of all equipment, materials, and supplies furnished by the Armed Forces except the costs of such items when they are purchased at the specific request of the AEC, and except the costs of expendable supplies furnished the AEC or its contractors from military stocks.
3. Transportation costs for all personnel, equipment, and supplies between the CONUS, Territory of Hawaii, and the PPG and between atolls of the PPG when moving by military controlled transportation. The AEC will pay charges for the packing, crating, and handling of items intended for AEC use.
4. Operations of all Armed Forces components assigned to the JTF.
5. All normal Armed Forces administrative expense, including pay, subsistence, and travel of all personnel, both civilian and military, employed by the Armed Forces with the exception that the AEC will

reimburse the DOD for travel and subsistence of those Armed Forces civilian employees on loan to the AEC and performing functions in its behalf.

6. All costs of experimental projects of primary interest to the Armed Forces except where jointly funded by mutual agreement.
7. Operation of POL systems on Eniwetok Island.
8. Operation and maintenance of all fixed communications facilities on Eniwetok and Japtan Islands, a JTF communications center on Parry Island, and military communications systems which may be required in support of test operations.
9. Stevedoring labor and equipment, except marine craft and craft operators, for assistance to the AEC in loading and offloading supplies, materials, and equipment in accordance with AEC- JTF Stevedoring agreement. All on-shore cargo handling will be performed by the military on Eniwetok and Japtan Islands and by the AEC on all other islands.
10. Operation of liaison aircraft for necessary inter-island and inter-atoll travel for the military and AEC and its contractors; however, necessary aircraft dispatchers on islands other than Eniwetok will be furnished by the AEC.
11. Operation of necessary search and rescue service.
12. During the operational phase provide a navy boat pool to support the added operational load.
13. Operation and maintenance of AEC equipment and material which may be loaned to the Armed Forces and of military equipment; provided, that AEC will, upon request and within its capabilities, perform maintenance on such equipment and material on a reimbursable basis.

E. COST REPORTING

1. The Task Force Commander shall specify the programs and projects for which cost data are required.
2. The programs and projects will be clearly defined to permit accurate cost accounting.
3. The cost data to be furnished by the AEC and the three participating military agencies will be based on uniform principles as agreed upon between the Task Force Commander and the Manager, Santa Fe Operations Office.

F. FUNDING

1. Department of Defense

- a. Funding responsibilities will be assigned to the Task Force Commander under such regulations as may be prescribed by the Secretary of Defense.

2. Atomic Energy Commission.

- a. Funding will be by allocation from AEC appropriations.
- b. Funding responsibilities will be assigned to the Manager, Santa Fe Operations Office, under regulations prescribed by the General Manager.

G. CHANGES

- 1. This agreement has been written in the broadest terms possible in order to avoid making it dependent upon changing conditions. Terms and conditions outlined above, may, with the exception of matters pertaining to the loan of marine craft covered in Section B4, be changed at any time by mutual agreement of the Commander, Joint Task Force SEVEN, on behalf of the Department of Defense, and the Manager, Santa Fe Operations, on behalf of the Atomic Energy Commission. Should they not agree, the question shall be referred to higher authority for decision.

FOR THE ATOMIC ENERGY COMMISSION:

K. E. Fields

K. E. Fields
General Manager

FOR THE DEPARTMENT OF DEFENSE:

Glenn V. Gibson

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Deputy Comptroller (Budget)